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Chairman: Mr. Yousfi ..... (Algeria)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Saha

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Report of the Office of Internal Oversight Services on its investigation into allegations of sexual exploitation and abuse in the Ituri region (Bunia) in the United Nations Organization Mission in the Democratic Republic of the Congo

Report of the Office of Internal Oversight Services on the horizontal audit of fuel management in peacekeeping missions

Report of the Joint Inspection Unit: Evaluation of results-based budgeting in peacekeeping operations

The meeting was called to order at 10.15 a.m.

Agenda item 115: Financial reports and audited financial statements, and reports of the Board of Auditors (*continued*) (A/61/5 (Vol. II), A/61/811 and A/61/866)

1. **Mr. Brouder** (Chairman of the Audit Operations Committee of the Board of Auditors) introduced the report of the Board of Auditors on the United Nations peacekeeping operations for the 12-month period from 1 July 2005 to 30 June 2006 (A/61/5 (Vol. II)).

2. In conducting its audit, the Board had visited 12 active peacekeeping missions and the United Nations Logistics Base at Brindisi, Italy. The audit had also covered 22 completed missions, the Peacekeeping Reserve Fund and the support account for peacekeeping operations. Owing to security considerations, the Board had been unable to visit the Democratic Republic of the Congo or Lebanon. The accounts of the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC), the United Nations Disengagement Observer Force (UNDOF) and the United Nations Interim Force in Lebanon (UNIFIL) had therefore been audited at Headquarters.

3. The total income for peacekeeping operations had risen by 13 per cent over the previous financial period; however, expenditure had also increased, by approximately 12 per cent. Owing to the decrease in assessed contributions outstanding, the cash/liability ratio had improved significantly: for the year ended 30 June 2005, there had been $0.85 in cash for every $1 in debt; for the year ended 30 June 2006, there had been $1.19 in cash for every $1 in debt. Total assets and total liabilities for the year ended 30 June 2006, had amounted to $3.72 billion and $1.84 billion, respectively.

4. The Board had issued an unqualified audit opinion, according to which the financial statements presented fairly the financial position of the United Nations peacekeeping operations as at 30 June 2006 and the transactions of the United Nations peacekeeping operations had in all significant respects been in accordance with the Financial Regulations and Rules of the United Nations and legislative authority. However, the Board had also drawn attention to three matters of concern. First, outstanding assessed contributions older than 12 months had amounted to $706.3 million out of the total outstanding assessed contributions of $1.27 billion. The Organization had made no provision for delays in collection and had explained that those contributions represented binding commitments of Member States. Second, the savings on or cancellation of prior-period obligations had amounted to $304.2 million, representing an increase of 81.3 per cent over that of the preceding financial period of $167.8 million. Since the accounting policy recognized outstanding obligations as part of expense prior to their actual disbursement, the Board was concerned that prior-year expenditures had been overstated. Third, note 13 to the financial statements did not disclose the actuarial valuation of liabilities for after-service health insurance of personnel in the peacekeeping operations. The provision in respect of peacekeeping staff members had not been separately determined and disclosed, but was reflected in the United Nations financial statements (A/61/5 (Vol. I)) in aggregate with other United Nations Secretariat personnel. It had been several years since the Board had raised such major concerns. However, though fundamental, they did not alter the Board's view that the financial position of the United Nations peacekeeping operations as at 30 June 2006 had been presented fairly.

5. When considering the Board's main recommendations, it should be borne in mind that peacekeeping operations had grown rapidly; the number of recommendations that had been implemented had fallen since the previous year; and some of the weaknesses identified were directly linked to the functioning of the Department of Peacekeeping Operations and could therefore have serious consequences. He referred in particular to procurement management and aviation safety. Such issues did not have an impact on the Department's current financial situation, but must still be raised.

6. With regard to procurement and contract management, the Board had noted that the Procurement Service had still been unable to influence the geographical distribution of contracts in such a way as to increase procurement opportunities for vendors from developing countries and countries with economies in transition. It had also found deficiencies in such areas as vendor registration, vendor performance evaluations, adequacy of performance bonds, procurement lead times and procurement planning.

7. With regard to air operations, the Board had noted the discrepancy between total flight hours budgeted and total flight hours utilized; the low level of on-site aviation quality inspection and regular performance evaluation; the inadequate number of support staff; and the fact that an Aviation Safety Council had not yet been established.

8. With regard to vehicle fleet management, the Board had noted that the United Nations Interim Administration Mission in Kosovo (UNMIK) had overpaid a fuel supplier $2.3 million over a period of more than four years because the fluctuation in the price per litre had not been adequately verified in relation to the contract signed with the supplier. The Board had also noted inconsistencies in the implementation of vehicle rotation and replacement policies. A total of 7,043 accidents had occurred during the period under consideration, resulting in accident costs estimated at $2.5 million.

9. With regard to asset management, the Board had noted that property pending write-off and disposal had amounted to $39.8 million as at 30 June 2006 and that the Headquarters Property Survey Board had a backlog of at least 400 cases. The reason was not poor management, but rather the discrepancy between the current level of delegation of authority and demand. The Board had called for delegations of authority to be revised in order to reduce the number of cases being referred to the Headquarters Property Survey Board and speed up the write-off and disposal process.

10. With regard to strategic deployment stocks, the Board had noted that replenishment of strategic deployment stocks was tracked and matched upon actual receipt of goods by the recipient missions instead of at the time of issuance of the material release order. That practice placed the stocks at risk of being critically low to the point where the Logistics Base would be unable to respond fully to urgent needs. Noting that new or expanding peacekeeping operations would be most affected, he said that replenishment action should commence at the time of the release of stocks.

11. With regard to rations, the Board had noted that, in order to ensure proper management of rations, a number of issues needed to be addressed, including the absence of back-up plans for the supply of essentials and the absence of punitive clauses in the rations contract, and that four ration contracts totalling $197.7 million had not been supported by the required contractor's performance evaluation reports.

12. With regard to quick-impact projects, the Board had observed that in at least three missions, monthly reports of ongoing projects had not been submitted by the executing agencies, contrary to the memorandums of understanding. In the United Nations Mission in Ethiopia and Eritrea (UNMEE), many projects had not been completed within six to eight weeks, as called for by the terms of reference, thereby defeating the very purpose of a quick-impact project.

13. With regard to the support account for peacekeeping operations, it had been agreed that the Department of Peacekeeping Operations would prepare the analysis requested by the Advisory Committee on Administrative and Budgetary Questions (ACABQ), with inputs from the Office of Internal Oversight Services (OIOS), and submit it to the Board for its consideration. At the time of the Board's audit, however, the analysis had still not been finalized. The Board had nonetheless observed that there was no defined formula or model to show the relationship between the level and complexity of peacekeeping operations and the level of the support account and that some job descriptions and workplans did not provide adequate, clear, specific, consistent and updated information, making it impossible to say whether or not posts were being used as intended.

14. Lastly, with regard to integrated missions, he said that the Board followed closely the discussions of the Department of Peacekeeping Operations on the subject. The issuance of the guidelines on the integrated missions planning process, which had been endorsed by the Secretary-General's Policy Committee on 13 June 2006, was an important step towards the formal establishment of effective integrated missions.

15. **Mr. Childerley** (Chief of the Oversight Support Unit in the Office of the Under-Secretary-General for Management) introduced the report of the Secretary-General on the implementation of the recommendations of the Board of Auditors concerning United Nations peacekeeping operations for the financial period ended 30 June 2006 (A/61/811), which had been prepared in accordance with paragraph 7 of General Assembly resolution 48/216 B. It also responded to paragraph 11 of resolution 60/234 A, which requested the Secretary-General to include, in future reports, information on

the setting of time frames, the identification of office holders and priorities for implementation.

16. For each recommendation contained in the Board's report, the Secretary-General's report provided details of the department responsible, the status, the priority and, in cases where the recommendation had yet to be implemented, the target date for implementation. The Administration had noted that the Board had categorized 28 of its recommendations as "main" recommendations. While the implementation of all recommendations would be treated as a priority, the main recommendations had been designated as high priority and the other recommendations as medium priority. Table 1 of the report showed the status of implementation of main recommendations, by department responsible, and table 2, the status of implementation of all recommendations, by department responsible.

17. The Administration continued to work closely with the Board and had made every effort to provide full and complete information to the Board for inclusion in its report. Consequently, in many cases the Board's report adequately reflected the Administration's position on each recommendation. Thus, in the Secretary-General's report, it had proved necessary to comment further on only 39 of the Board's 63 recommendations.

18. The report also took account of paragraph 8 of resolution 60/234 B, which requested the Secretary-General to provide full explanation for the delays in implementation of the recommendations of the Board for the period ended 30 June 2005. To meet that requirement, the Administration had identified those recommendations contained in the Board's previous report (A/60/5 (Vol. II)) that had been targeted for implementation during 2006 or had not been accepted. Where those recommendations were highlighted in the Board's current report as still outstanding, the updated status had been included in chapter IV of the Secretary-General's report, complete with an explanation of progress to date, the department responsible, current status, priority and revised target date, where applicable.

19. He would not go into detail regarding individual recommendations, as they were adequately covered in the report. The Secretariat would, however, provide assistance on specific issues as and when necessary.

20. **Mr. Saha** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) introduced the related report of ACABQ (A/61/866), which addressed some general issues relating to the findings of the Board of Auditors. The Board's comments assisted the Advisory Committee in its consideration of the performance reports and budgets of the peacekeeping operations, and references to the Board's findings would be found throughout the Advisory Committee's reports on individual peacekeeping operations.

21. The Advisory Committee welcomed the Board's efforts to formulate its recommendations in a manner which facilitated the process of implementation, including measurement of progress achieved, and encouraged it to continue making improvements along those lines.

22. The significant cancellation of prior-period obligations, which the Board had raised as a matter of concern in its audit opinion, suggested shortcomings in budget planning and administration. The Advisory Committee had repeatedly called for stricter control over obligations. Though there were inherent uncertainties in budgeting for peacekeeping, as compared with the regular budget, the United Nations had enough experience to make significant progress in resolving those problems, especially in the more stable missions.

23. The Board had reiterated its recommendation that the Administration should monitor ex post facto procurement submissions to ensure adequate justification and accountability for delays. The Advisory Committee noted with interest that a field liaison team had been established to administer procurement cases submitted from peacekeeping missions for review by the Headquarters Committee on Contracts and that a new section for planning, compliance and monitoring was being created. The Advisory Committee trusted that those initiatives would help to expedite the procurement process and ensure compliance with procurement rules.

24. The Advisory Committee concurred with the Board's observations on budgeting for air operations and stressed that realistic estimates should take into account usage patterns as well as any known variables which would affect the usage of air assets, such as a change in the mandate or activities related to elections. Furthermore, it was the view of the Advisory

Committee that a cost-benefit analysis of the new costing structure for air operations was long overdue and should be expedited.

25. The Board of Auditors had reiterated its recommendation that the Department of Peacekeeping Operations should develop and implement regional coordination plans, and the Administration had again rejected the recommendation, stating that a plan for regional coordination was not appropriate and that the focus should instead be on inter-mission cooperation to address cross-border activities. The Advisory Committee noted that, despite its non-acceptance of the Board's recommendation, the Administration had reported on progress achieved in the development and implementation of regional coordination/inter-mission cooperation plans and initiatives and on cross-cutting services in its overview report on the financing of the United Nations peacekeeping operations (A/61/786). The Advisory Committee continued to believe that planning for such regional cooperation was desirable and therefore reiterated its support for the Board's recommendation.

26. **Mr. Hussain** (Pakistan), speaking on behalf of the Group of 77 and China, said that the Group attached great importance to the work of the Board of Auditors. He noted with satisfaction that the Board, through its unqualified audit opinion, had covered almost every aspect of the United Nations peacekeeping operations for the financial period ended 30 June 2006. The Board had also made a number of pertinent recommendations which the Administration should implement expeditiously.

27. The Group concurred with the Board's and the Advisory Committee's findings and recommendations on many key issues. He noted the ageing of the Board's previous recommendations that had not yet been fully implemented and reiterated that responsibility for the timely implementation of the Board's recommendations lay with the Administration.

28. The Group was concerned by the fact that, of the total outstanding contributions of $1.27 billion, $706.3 million had been outstanding for over one year. The Administration had regularly provided Member States with information on outstanding assessments and urged prompt payment. He appealed to all those Member States that had not yet done so to pay their assessed contributions on time, in full and without conditions.

29. The Group noted that the savings on or cancellation of prior-period obligations amounted to $304.2 million, representing an increase of 81.28 per cent over that of the preceding financial period. The Group agreed that significant cancellation of prior-period obligations could indicate a requirement for better budget planning and administration and that the reasons for the increase should be assessed so as to avoid overbudgeting in the future.

30. Turning to procurement and contract management, the Group noted that the Board had reiterated a number of its previous recommendations. The Group continued to attach great importance to increasing United Nations procurement opportunities for vendors from developing countries and countries with economies in transition. In that regard, the Group was disconcerted by the Board's observation that, although 83 per cent of total operational expenditure had been incurred by missions in Africa, 56 per cent and 20 per cent of the contracts' value had been allocated to vendors in Europe and the Americas, respectively. The Group would also be closely monitoring the measures proposed or undertaken by the Administration on such issues as vendor registration, vendor performance evaluation, performance bonds, procurement planning, delegation of authority, vacancy rates for procurement staff and ex post facto submission for approval of procurement contract awards. He hoped that the Administration would comply with the guidelines of the Procurement Manual and ensure proper procurement and contract management.

31. Safe and well-managed transportation was essential to the efficiency and effectiveness of peacekeeping operations and the safety and welfare of peacekeepers. In that regard, the Group was concerned by the gap between budgeted and actual flight hours, the low rate of on-site aviation quality inspection of carriers and performance evaluation of aircraft and the shortages in aviation staffing, and called for an expedited study to determine whether or not the change of air operations contracts to the new costing structure had resulted in savings and reflected current commercial practices.

32. The success of peacekeeping operations depended on effective coordination at both the inter-mission and regional levels. The Group hoped that regional coordination plans aligned with the missions' objectives would be implemented expeditiously.

33. The support account for peacekeeping operations was another area of concern. The Group was distressed by the Board's observation that the activities detailed in the workplans for support account posts had been stated in general terms and not in a manner that would facilitate the identification of their relation to peacekeeping operations. That made it difficult to determine whether posts under the support account had been and continued to be used for the intended purpose of backstopping peacekeeping operations. The Group looked forward to the results of the Secretary-General's comprehensive analysis of the evolution of the support account.

34. **Mr. Thomma** (Germany), speaking on behalf of the European Union; the candidate countries Croatia and Turkey; the stabilization and association process countries Montenegro and Serbia; and, in addition, Iceland, Liechtenstein and Ukraine, said that assessed contributions outstanding for the period 2005/06, though considerably lower than for the previous period, were still significant enough to negatively affect cash flows and encourage cross-borrowing between individual peacekeeping accounts. It was essential that all Member States should pay their contributions in full, on time and without conditions.

35. The European Union noted with concern that 47 of the Board's previous recommendations had not yet been fully implemented and called on the Secretariat to remedy the situation and implement ageing recommendations without delay. That would result in more efficient use of resources and yield savings without undermining the objectives of individual operations, especially in view of the surge in peacekeeping operations. In that regard, he welcomed the Board's initiative to highlight progress achieved and prioritize its recommendations, thereby facilitating their implementation.

36. Lastly, the European Union was concerned about the increase in cancellations of prior-year unliquidated obligations and other issues relating to procurement, air operations, vehicle fleet management, regional cooperation, budgeting and human resources management. It would be raising those concerns in informal consultations.

Agenda item 132: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

Overview of the financing of the United Nations peacekeeping operations (A/60/696, A/61/786 and A/61/852)

Procedures for the purchase and utilization of vehicles and other equipment by United Nations field missions (A/60/842)

Improvement of internal controls in management, accounting and reporting of assets of all United Nations field missions (A/60/843)

Disarmament, demobilization and reintegration (A/60/705 and A/60/929)

Special measures for protection from sexual exploitation and sexual abuse (A/60/861 and A/61/886)

Comprehensive report prepared pursuant to General Assembly resolution 59/296 on sexual exploitation and sexual abuse, including policy development, implementation and full justification of proposed capacity on personnel conduct issues (A/60/862 and A/61/886)

Report of the Office of Internal Oversight Services: Part two: peacekeeping operations (A/61/264 (Part II) and Add.1)

Report of the Office of Internal Oversight Services on its investigation into allegations of sexual exploitation and abuse in the Ituri region (Bunia) in the United Nations Organization Mission in the Democratic Republic of the Congo (A/61/841)

Report of the Office of Internal Oversight Services on the horizontal audit of fuel management in peacekeeping missions (A/61/760 and Corr.1)

Report of the Joint Inspection Unit: Evaluation of results-based budgeting in peacekeeping operations (A/60/709 and Add.1)

37. **The Chairman** commended all civilian and military peacekeeping personnel who were striving to maintain international peace and security in extremely difficult conditions. He also extended his sympathies to the families of those who had perished in the line of duty.

38. **Mr. Sach** (Controller), introducing the Secretary-General's reports on the overview of the financing of the United Nations peacekeeping operations: budget performance for the period from 1 July 2004 to 30 June 2005 and budget for the period from 1 July 2006 to 30 June 2007 (A/60/696) and on the overview of the financing of the United Nations peacekeeping operations: budget performance for the period from 1 July 2005 to 30 June 2006 and budget for the period from 1 July 2007 to 30 June 2008 (A/61/786), said that the scope, dynamic nature and unpredictability of peacekeeping activities continued to pose significant challenges. The peacekeeping budget for the period from 1 July 2007 to 30 June 2008 was currently estimated at $5.3 billion, although the final resource requirements could exceed $6 billion if new operations (in Chad, the Central African Republic, Darfur and Somalia) were established by the Security Council.

39. Referring to the timetable for the submission of the reports, he said that changes to almost all the large operations over the last six months meant that the Secretariat was struggling to keep to the established budgetary cycle. A total of 37 financing reports for the 2007/08 period had been scheduled for submission: 15 reports had been submitted to the Department for General Assembly and Conference Management by the end of January 2007, 12 by the end of February 2007, and the remainder, with the exception of the proposed budgets for the support account for peacekeeping operations, the United Nations Stabilization Mission in Haiti (MINUSTAH), the United Nations Interim Force in Lebanon (UNIFIL) and the United Nations Integrated Mission in Timor-Leste (UNMIT), which had been submitted in the third week of April 2007, had been submitted by the end of March 2007.

40. He recalled that the General Assembly had decided to defer its consideration of the overview report contained in document A/60/696 until the main part of its sixty-first session. Since then, the General Assembly and the Advisory Committee had made a number of requests and recommendations, which were reflected in the updated report contained in document A/61/786. That report also set out the policy on quick-impact projects and described future initiatives to be undertaken by the Department of Peacekeeping Operations concerning the management of peacekeeping operations. It also provided summaries of financial information relating, inter alia, to budget performance for the period from 1 July 2005 to 30 June 2006, planned and actual vacancy rates for the performance period, proposed resources for the period from 1 July 2007 to 30 June 2008, death and disability compensation, reimbursements to troop-contributing countries, and an updated report on the status of the Peacekeeping Reserve Fund. The report included projected amounts for the 2007/08 period because, at the time of submission, the Secretariat was still in the process of finalizing the estimates for certain missions.

41. Total resources for the 2005/06 period had amounted to $5 billion. The related expenditure had amounted to $4.6 billion, leaving an unencumbered balance of $463 million. The overall budget implementation rate for the period had been 91 per cent. In his report on liabilities and proposed funding for after-service health insurance benefits (A/61/730), the Secretary-General had proposed that $410 million should be drawn from interest and other income and unencumbered balances of peacekeeping operations to fund those liabilities. The performance reports for individual missions reflected that initiative, but, in light of the decision of the General Assembly contained in resolution 61/264, those amounts would instead be credited to Member States.

42. The budget estimates for the 2007/08 period included efficiency gains of about $40 million, as compared with $17 million for the preceding period. Those gains were the result of cost savings arising from specific management initiatives, which were described in the results-based budgeting frameworks. The budget estimates for 2007/08 took those gains into account. The estimates also included mission-specific average actual salary costs and common staff costs for international staff. However, in view of the aforementioned decision of the General Assembly contained in its resolution 61/264, the provision of 8 per cent of common staff costs for the purpose of funding after-service health benefits would be excluded from the final estimates.

43. The General Assembly was requested to endorse the proposed management initiatives described in sections III.B and III.C of document A/61/786 and to apply the balance of $7,097,000 in excess of the authorized level of the Peacekeeping Reserve Fund to meet the financing of the support account for peacekeeping operations for the period from 1 July 2007 to 30 June 2008.

44. Turning to the other reports currently before the Committee, he drew attention to the Secretary-General's report on procedures for the purchase and utilization of vehicles and other equipment by United Nations field missions (A/60/842), which had been submitted pursuant to paragraph 8 of General Assembly resolution 59/270. The Secretary-General's report on the improvement of internal controls in management, accounting and reporting of assets of all United Nations field missions (A/60/843) set out the procedures implemented to improve those controls in order to establish reliable records. Lastly, the Secretary-General's report on disarmament, demobilization and reintegration (A/60/705) discussed an increased engagement of the United Nations in those activities in complex peacekeeping and non-peacekeeping operations over the previous five years, including lessons learned from those operations. It also discussed the development of a new approach to disarmament, demobilization and reintegration within the United Nations system, based on the lessons learned.

45. **Mr. Cooper** (Director, Administrative Support Division, Department of Peacekeeping Operations), introducing the Secretary-General's report on special measures for protection from sexual exploitation and sexual abuse (A/60/861), said that the report presented data on allegations of sexual exploitation and abuse in the United Nations system during the period from January to December 2005 and on the current status of investigations. The total number of 373 allegations registered in 2005, the majority of which related to the Department of Peacekeeping Operations, was considerably higher than the 121 allegations reported in 2004. That increase might be partly attributable to greater awareness and use of reporting mechanisms.

46. Paragraphs 14 to 16 of the report contained information about the measures taken by the Task Force on Protection from Sexual Exploitation and Abuse. The Secretary-General remained committed to preventing sexual exploitation and abuse and to changing the organizational culture that permitted such acts. Member States were urged to provide their full support to those endeavours. The General Assembly was requested to take note of the report.

47. The Secretary-General's comprehensive report prepared pursuant to General Assembly resolution 59/296 on sexual exploitation and sexual abuse, including policy development, implementation and full justification of proposed capacity on personnel conduct issues (A/60/862) provided comprehensive justification for a proposed dedicated capacity to address conduct and discipline issues in United Nations peacekeeping operations, as well as an overview of the comprehensive Department of Peacekeeping Operations strategy on sexual exploitation and abuse by United Nations peacekeeping personnel, which was based primarily on the broad package of reforms endorsed by the General Assembly in its resolution 59/300. That strategy took a three-pronged approach composed of measures aimed at preventing misconduct, enforcing United Nations standards of conduct and taking remedial action, and it placed considerable emphasis on communicating to the leadership of peacekeeping operations their responsibilities. In addition, a wide range of awareness-raising measures on United Nations standards of conduct had been developed and disseminated to peacekeeping operations, Member States and the wider United Nations system. Between 1 January 2004 and April 2007, the United Nations had completed investigations into allegations of sexual exploitation and abuse involving 396 peacekeeping personnel, resulting in the dismissal of 19 civilians and 163 uniformed personnel.

48. A longer-term, dedicated capacity to address conduct and discipline issues, in the form of conduct and discipline teams, was required in Department of Peacekeeping Operations and in the field. Such teams were essential to provide strategic guidance and an overview of discipline in field missions, and would ensure that a systematic and consistent approach was taken to conduct and discipline issues in peacekeeping operations. The General Assembly was requested to take note of the report.

49. **Mr. Saha** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the Advisory Committee's general report on administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (A/61/852), said that, as the cost and complexity of United Nations peacekeeping operations continued to increase, the Advisory Committee remained acutely aware of its responsibility to assist the Fifth Committee in its consideration of funding requests submitted by the Secretary-General. However, its review of the peacekeeping budgets had been hindered by the need to devote part of its winter

session to non-peacekeeping items and by the late submission of related documentation.

50. While the Advisory Committee had noted the efforts made to improve the results-based presentation, the success of those efforts had been uneven. Too often, there were no clear links between outputs and expected accomplishments and objectives, and the results-based framework was not clearly linked to the mission's mandate or the resources requested. Without those linkages, the whole endeavour risked becoming an empty bureaucratic exercise with little value as a management tool; an improved capacity to collect cost information would facilitate matters.

51. As far as management issues were concerned, the Advisory Committee believed that the proposed staffing structure for many missions was based on a template for an integrated mission rather than on an analysis of the specific functions, workload and responsibilities of each mission. An examination of the effectiveness of the template in the light of experience would therefore be timely. The time had also come to evaluate in-house the impact and effectiveness of adding posts in the field to perform the best practices function. The Advisory Committee was concerned about the absence of concrete action in response to its request that the efficiency and effectiveness of management and administrative processes should be reviewed before additional resources were requested. A specific strategy and plan for work process improvement should be developed, and the Secretary-General should demonstrate that management and administrative processes were efficient before seeking additional resources.

52. In the area of financial management, while substantial capacity existed to support the budget function, the Advisory Committee was not persuaded that the sum of that capacity created value commensurate with its cost. The next overview report should therefore include related information, and the budget process, while ensuring fiscal prudence and budgetary discipline, should be streamlined and expedited. Other issues relating to financial management were discussed in paragraphs 24-27 of the report.

53. With regard to the planning and organization of missions, the Advisory Committee had emphasized the importance of the predeployment planning phase and of drawing on lessons learned. In that connection, the respective roles of the mission and its partners should be clearly delineated and cooperation modalities well understood.

54. Turning to the question of military personnel, he said that there had been significant overbudgeting for military and police personnel costs. Greater efforts must therefore be made to use realistic budgetary assumptions and to keep related obligations under review. In view of the increased costs of troop rotation in some missions, the Advisory Committee encouraged the Secretary-General to explore ways of reducing those costs. The working group on contingent-owned equipment should taken up the question of appropriate rates of reimbursement for a number of new items associated with the deployment of a naval force and heavy equipment. The Advisory Committee also recommended acceptance of the recommendations made by the relevant working group on the status of United Nations staff officers and payment of mission subsistence allowance to them in lieu of reimbursement to troop-contributing countries.

55. The continuing high vacancy rates for civilian staff in many peacekeeping operations were cause for concern, but the Advisory Committee had noted the steps taken to tackle that problem. It favoured enhanced delegation of authority to missions for recruitment, accompanied by appropriate steps to ensure accountability. In the context of recruitment, attention should be paid to relevant language skills, to maintaining an appropriate balance in selections at the senior management level and to improving the gender balance at all levels. He drew attention to the other issues relating to civilian personnel discussed in paragraphs 40, 43, 44, 45 and 46 of the report.

56. Turning to operational costs, he said that further steps should be taken to make training programmes more cost-effective. Furthermore, national staff should be fully included in relevant programmes. The Advisory Committee had taken note of measures taken to economize in the area of air operations, which accounted for a third of all operational costs. Notwithstanding those efforts, there had been significant increases in requests for air operations in some missions. Such increases should be fully justified in future budget proposals. The Advisory Committee recommended that the Secretary-General should report to the General Assembly at its resumed sixty-second session on his comprehensive review of transportation requirements in large missions. It also looked forward

to reviewing the analysis of the impact of the new costing structure relating to air operations.

57. Petrol, oil and lubricants were a major item of expenditure for peacekeeping operations; accordingly, the Secretary-General should begin preparing the fuel management manual and standard operating procedures requested by the General Assembly without delay. The Advisory Committee looked forward to receiving information on the review of business models for the provision of fuel and on measures taken to improve fuel management, including the mission electronic fuel accounting system and Fuelog projects.

58. He also drew attention to paragraphs 57, 58 and 62 of the report, which discussed quick-impact projects; fraud, corruption, mismanagement, misconduct and conflict of interest; and regional cooperation, respectively.

59. Turning to the Advisory Committee's report on disarmament, demobilization and reintegration (A/60/929), he pointed out that, when the Advisory Committee had considered the relevant report of the Secretary-General (A/60/705), the integrated disarmament, demobilization and reintegration standards mentioned in that report had not yet been launched. The Secretary-General had indicated his intention to provide additional support to disarmament, demobilization and reintegration programmes in the field and to create an integrated, inter-agency United Nations capacity, building on the existing secretariat. In that connection, the Advisory Committee trusted that existing capacities would be taken into consideration when formulating proposals for the creation of secretariat structures. It would also be necessary to define how the Inter-Agency Working Group on Disarmament, Demobilization and Reintegration was related to the Peacebuilding Commission.

60. Lastly, introducing the Advisory Committee's report on special measures for protection from sexual exploitation and sexual abuse and on the comprehensive report prepared pursuant to General Assembly resolution 59/296 on sexual exploitation and sexual abuse (A/61/886), he said that serious misconduct, especially with respect to sexual exploitation and abuse, deserved to be highlighted in the context of the redesign of the internal system of justice in order to ensure that an effective, Organization-wide framework was developed and implemented. The Advisory Committee recommended that the General Assembly should take note of the relevant reports of the Secretary-General (A/60/861 and A/60/862).

61. **Ms. Ahlenius** (Under-Secretary-General for the Office of Internal Oversight Services), introducing the reports of OIOS on peacekeeping operations (A/61/264 (Part II)); on the horizontal audit of fuel management in peacekeeping missions (A/61/760); and on its investigation into allegations of sexual exploitation and abuse in the Ituri region (Bunia) in the United Nations Organization Mission in the Democratic Republic of the Congo (A/61/841), said that all three reports highlighted the absence of a robust internal control framework that set out management's responsibility for the control environment, risk assessment, control activities, information and communication, and monitoring an internal control framework represented the infrastructure of any organizational entity and enabled managers to discharge their responsibilities. It set the standards by which organizations could systematically organize, structure and measure the effectiveness of their internal control system and allowed managers to ensure that they were not only in charge, but also in control. In many instances, where the lack or weakness of internal control had exposed the Organization to unnecessary risk. Lapses in the control environment had led to the mismanagement and misuse of the Organization's resources.

62. The report of OIOS on peacekeeping operations (A/61/264 (Part II)), which covered the 18-month period from 1 July 2005 to 30 December 2006, showed that OIOS had issued more than 170 oversight reports relating to peacekeeping, accounting for half of the recommendations made during that period; 463 allegations of sexual exploitation and abuse in peacekeeping missions had been received and in two separate cases OIOS had substantiated allegations that military contingent members had sexually abused underage girls. Senior officers of one military contingent at UNIFIL, including the Commanding Officer, had set up a scheme whereby they had fraudulently overstated their fuel requirements and then sold the excess fuel to local buyers. They had also sold United Nations rations to local supermarkets and sought reimbursement for numerous vehicles that had not been used.

63. Audits and investigations of procurement had identified serious deficiencies in procurement

management, systems and processes. The OIOS Procurement Task Force had been established to investigate wrongdoing in all procurement matters throughout the Organization. It had a caseload of 225 cases in the Department of Peacekeeping Operations and peacekeeping missions, 148 of which were under investigation. The Task Force had found that four staff members and seven vendors had committed fraud; three staff members had violated United Nations rules and regulations; and four staff members had committed acts of mismanagement.

64. Extensive fraudulent schemes which had gone on for many years had been identified at United Nations Headquarters and in peacekeeping missions, with the result that a number of vendors had been debarred for wrongful conduct. In the United Nations Mission in the Sudan (UNMIS), audits had found serious control weaknesses, potential fraud indicators, wasteful expenditures, overpayments to vendors and questionable procurement practices. In MINUSTAH, 12 procurement actions totalling $9.1 million had been undertaken in breach of standard procedures. A quick-impact audit covering 10 peacekeeping missions had found a low level of compliance with bid opening procedures. The report also highlighted significant audit and inspection findings concerning the management of assets, human resources, programmes and projects. It also contained a review of the methodology for allocating resident auditors to peacekeeping missions. OIOS proposed to continue using that methodology in allocating its resources, while also taking into account the risk assessments conducted in individual missions.

65. The report on the horizontal audit of fuel management (A/61/760) revealed that, in the 10 missions audited between 1 July 2005 and 30 June 2006, fuel expenditures to support peacekeeping operations had totalled nearly $300 million and internal controls over fuel management needed to be improved substantially. Among the major control weaknesses identified were that standard operating procedures on fuel management had been in draft form and applied inconsistently; the mechanisms for monitoring fuel consumption had been inadequate; receipt and inspection of fuel deliveries had not been performed consistently, resulting, for instance, in the acceptance of contaminated aviation fuel at the United Nations Assistance Mission in Afghanistan (UNAMA); and payments to fuel vendors had been processed without adequate supporting documentation and verification, leading UNMIK to overpay one contractor by $2 million over a period of four years. In the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC), prepayments totalling $5.7 million had been made for the delivery of strategic fuel stock, yet as at the date of the audit, the contractor had still owed the mission $1.9 million in fuel reserves. Non-compliance with the United Nations Procurement Manual in the procurement of fuel products had also been found in MINUSTAH, UNAMA and the United Nations Assistance Mission for Iraq (UNAMI). Out of the 182 recommendations that had been made by OIOS to the missions, 83 of which had been considered critical, the Department of Peacekeeping Operations had accepted 174 and had already initiated action to implement most of them.

66. Turning to the report on the investigation into allegations of sexual exploitation and abuse in Ituri (A/61/841), she said that OIOS had received 217 allegations against 75 peacekeepers during a one-month period from 17 January to 13 February 2006. However, OIOS had found sufficient evidence to substantiate only one of those allegations. Nevertheless, it believed that girls and young women in Bunia remained at high risk of sexual exploitation and abuse. The report highlighted the proactive approach taken by one military contingent to prevent further exploitation and abuse; she hoped that such efforts would serve as a model for all peacekeeping operations. In conclusion, OIOS had made five recommendations in the report, including one that reiterated six recommendations it had made in its previous report on the subject (A/59/661). All recommendations had been accepted by the Department of Peacekeeping Operations and MONUC and a total of four recommendations were still in the process of implementation.

67. **Mr. Fontaine Ortiz** (Joint Inspection Unit), introducing the Joint Inspection Unit (JIU) report entitled "Evaluation of results-based budgeting in peacekeeping operations" (A/60/709), said that the report had been prepared in response to General Assembly resolution 57/290 B of 18 June 2003. Results-based budgeting was relatively new in peacekeeping and had only been introduced in 2002. Since the completion of the evaluation, many events had taken place, including the endorsement by the General Assembly of the benchmarking framework for

the implementation of results-based management in the United Nations system (resolution 60/257) and the issuance of a more comprehensive JIU report on the subject (A/61/805). In 2005, the United Nations System Chief Executives Board for Coordination (CEB) had invited all United Nations system organizations to endorse the benchmarking framework and to use it in implementing results-based management.

68. The findings contained in the JIU report were based on research and interviews conducted both at Headquarters and in current peacekeeping missions in Côte d'Ivoire, Haiti, Liberia and Sierra Leone. While the evaluation had been carried out using the benchmarking framework as a yardstick, peacekeeping operations were still using results-based budgeting only for planning, programming and budgeting and not as a systematic managerial tool. That shortcoming was primarily due to the fact that comprehensive results-based management was not yet being implemented in the United Nations, although results-based budgeting frameworks were being used in certain field operations.

69. The results-based approach had helped facilitate understanding and dialogue among the different parties involved in the process, including the Security Council and the General Assembly, and gave them a common understanding, conceptualization, terminology and sense of direction in relation to the results being sought. While the expected results should be commensurate with the resources allocated, there was a mismatch in the case of peacekeeping operations because the Security Council set the overall objectives while the General Assembly approved the resources. JIU firmly believed that if the General Assembly and the Security Council wished to pursue a results-based management approach, they should find ways and means to ensure coherence and consistency in the adoption of the mandates and objectives of peacekeeping operations and the provision of related resources. Accordingly, it had proposed a concrete set of procedures for reinforcing the respective mandates of the Security Council and the General Assembly with regard to the integrated mission implementation plan.

70. Peacekeeping operations had evolved into complex undertakings with multidimensional elements in fast-changing and unstable environments subject to the influence of external and unforeseen factors. Since each operation was unique in terms of geography, timing and circumstances, the General Assembly, in its resolution 57/290 B, had requested the Secretary-General to ensure that, in applying results-based budgeting to peacekeeping budgets, the specific characteristics and mandates of each peacekeeping mission were taken fully into account. Consequently, the key to success in results-based management was to properly identify external factors from the outset and incorporate them into the planning process.

71. Applying a results-based approach in peacekeeping operations was difficult because of the problems involved in coordinating activities in unstable environments with different participating partners and components. Recommendation 5 of the JIU report invited the Secretary-General to lead the preparation of an institutional framework within CEB, proposing the operational doctrine, road map, rules of engagement and guidelines for United Nations system involvement in integrated peace missions, to be submitted for consideration and approval by the respective legislative organs of the United Nations system organizations.

72. A key step for results-based management was to identify long-term goals and objectives to be pursued by peacekeeping operations. To determine such objectives, preliminary information on the specific situation should be collected and analysed to provide the Security Council and the General Assembly with realistic and up-to-date information. The current lack of a realistic, accurate, comprehensive and up-to-date assessment of pre-conflict situations was a serious obstacle to the formulation of specific, measurable, attainable, relevant and time-bound mandates.

73. In 2000, the Panel on United Nations Peace Operations had recommended that the Secretary-General should establish an Executive Committee on Peace and Security Information and Strategic Analysis Secretariat to support the information and analysis needs of all members of the Executive Committee on Peace and Security, which should be administered by and report jointly to the heads of the Department of Political Affairs and the Department of Peacekeeping Operations (A/55/305-S/2000/809, para. 75). That recommendation had not been approved by the Special Committee on Peacekeeping Operations and the Advisory Committee on Administrative and Budgetary Questions. In 2004 the General Assembly had approved the establishment of a small Executive Committee on Peace and Security secretariat, but it lacked sufficient resources and expertise to perform the proposed task.

In view of the new trends in peace operations and the need to improve the information available at the time of pre-assessing a potential peacekeeping mission, JIU urged the General Assembly to revisit the Panel's recommendation.

74. **Mr. Sach** (Controller) introduced the note by the Secretary-General on the OIOS report on peacekeeping operations (A/61/264 (Part II)/Add.1), which contained comments on issues that, in the Administration's view, required clarification. He also introduced the note by the Secretary-General on the report of the Joint Inspection Unit (A/60/709/Add.1), in which the Secretary-General welcomed the acknowledgement of the positive trend, in particular, in the application of results-based budgeting frameworks in certain field operations and the progress achieved since their introduction in 2002, and provided specific comments on the JIU recommendations.

75. **Mr. Hussain** (Pakistan), speaking on behalf of the Group of 77 and China, said that while each peacekeeping operation had its own mandate and faced specific challenges in a unique environment, cross-cutting resolutions provided comprehensive guidance for the Department of Peacekeeping Operations and individual operations on issues that were common to all United Nations peacekeeping missions. While appreciating the Secretariat's efforts to implement the provisions of resolutions 60/266 and 59/296, the Group of 77 and China felt that full implementation of cross-cutting resolutions was crucial for the effective and efficient functioning of peacekeeping missions. It was therefore concerned that certain provisions had not been adequately addressed in the overview report of the Secretary-General (A/61/786). The Group urged the Secretariat to follow the timeline for the presentation of peacekeeping budget documentation.

76. The Group noted that the practice of allowing peacekeeping staff to take up temporary duty positions in other peacekeeping missions seemed to have become part of standard operating procedure, but that it should be used as an ad hoc measure to provide extra assistance in the early phase of the establishment of new peacekeeping missions. The Group regretted that no information was being presented to the General Assembly concerning the use of consultants and the development of effective evaluation mechanisms for the use of outside expertise. Consideration should be given to hiring consultants who were conversant with the situation in the mission country.

77. The Group was also concerned about the high vacancy rates in all peacekeeping missions and noted the efforts made by the Secretariat to address the issue, including the delegation of authority to missions for recruitment and temporary deployment of officers to accelerate recruitment in missions with high vacancy rates. However, such recruitment efforts should pay due regard to equitable geographical distribution and gender balance, especially through the recruitment of female candidates from developing countries. Similarly, the hiring of United Nations Volunteers should be in compliance with the relevant General Assembly resolutions, the "Note on guiding principles" and the memorandum of understanding between the Department of Peacekeeping Operations and the United Nations Volunteers programme.

78. The Group regretted that the report on accountability, fraud, corruption, mismanagement, misconduct and conflict of interest requested in section V of resolution 60/266 had not been presented. Its concerns were reinforced by the findings contained in the OIOS report on internal control weaknesses and inadequate managerial accountability for administrative and logistical support functions. It was therefore important to develop and implement a comprehensive internal control framework and to ensure that it was effectively monitored by the Secretariat in collaboration with OIOS.

79. The Group strongly supported the quick-impact projects, which were instrumental in the success of peacekeeping missions. They should be implemented fully, without artificial deadlines. The Group regretted that the report on the review of all aspects of fuel management in peacekeeping operations had not been presented, on the poor excuse that adequate funds had not been approved for hiring an external consultant to prepare that technical report. The Group believed that the Department had adequate resources to hire such an expert. Alternatively, the Secretariat should have raised that concern with the General Assembly when the resolution had been adopted. The Group therefore insisted that such comprehensive reports must be presented at future sessions.

80. With regard to the costing structure of air operations, the Group emphasized the need to optimize the use of air assets and took note of the steps taken by the Secretary-General to achieve the objectives stipulated in resolution 60/266. Nevertheless, efficiency gains and cost-effectiveness should not be

achieved at the expense of safety, proper organization and rotation of troops or the operational necessities of the mission. Given the specific requirements and unique nature of each mission, a one-size-fits-all approach might not be feasible.

81. In the context of the management of vehicle spare parts, the Group would like further information on the benefits of the Galileo and Mercury asset management systems in peacekeeping missions. While taking note of the Secretary-General's explanation of the specific circumstances of each mission with respect to spare parts, the Group felt that every effort should be made to procure spare parts from developing countries.

82. Concerning results-based budgeting, the Group supported the broad thrust of the recommendations contained in the JIU report (A/60/709) and would like the Secretary-General to initiate appropriate measures to ensure the gradual implementation of results-based management. It was gravely concerned about the instances of sexual exploitation and abuse reported by the Secretary-General and stated its unreserved support for the implementation of a zero-tolerance policy to prevent and punish such acts. In that connection, it welcomed the Secretary-General's three-pronged approach of prevention, enforcement and remedial measures to address those issues.

83. The Group believed that there was a linkage between the Special Committee on Peacekeeping Operations and the agenda item under consideration, as the reports of the Secretary-General specifically addressed the recommendations and issues highlighted by the Special Committee. However, it was regrettable that, as a result of the inflexible stance taken by one delegation, the Special Committee had not been able to adopt its annual report for the current year. The Group urged the Chairman of the Fifth Committee to urgently resolve the matter with the Chairmen of the Fourth Committee and the Special Committee so as not to hamper the consideration of cross-cutting issues in the Fifth Committee.

84. Finally, the Group supported the recommendation of the Department of Peacekeeping Operations working group on the payment of mission subsistence allowance to staff officers in the mission area in lieu of reimbursement to troop-contributing countries. That measure would help establish uniform policies and improve the efficiency and accountability of personnel with tasks that required decision-making skills and responsibility.

85. **Mr. Fenchel** (Germany), speaking on behalf of the European Union; the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries Albania, Bosnia and Herzegovina, Montenegro and Serbia; and, in addition, Iceland, Liechtenstein, Moldova, Norway and Ukraine, said that a cross-cutting approach to the consideration of peacekeeping financing provided a comprehensive overview and allowed for identification of common issues, including budget presentation and processes, management structures, recruitment and training, conduct and discipline, and cooperation with other missions in the same region. The OIOS report on its investigations in Bunia underscored the need for the Committee to deal once again with the serious issue of sexual exploitation and abuse in a specific and systematic way.

86. Air operations and fuel management were two areas in which such a comprehensive approach could yield substantial benefits. Initiatives such as the introduction of an operation-wide fuel management policy or better utilization of air assets would enhance efficiency and reduce fraud and other misconduct. The necessity of the timely submission of documents, including the Advisory Committee's reports, for the effective and efficient work of the Committee had been repeatedly stressed. In addition, reports and reporting requirements should be streamlined; the cross-cutting approach would facilitate efforts in that regard.

87. **Mr. Lithgow** (Dominican Republic), speaking on behalf of the Rio Group, said that a cross-cutting approach to peacekeeping financing enhanced the effectiveness of budget processes, fostered a culture of transparency and allowed for the successful fulfilment of legislative mandates. It was important to maintain strict discipline in budget preparation and performance. A cross-cutting approach allowed for the identification of patterns and tendencies and the implementation of general policies. The draft annual report of the Special Committee on Peacekeeping Operations should be adopted as soon as possible because it provided guidelines and proposals that should be considered by the Committee during discussions on cross-cutting issues.

88. Full implementation of quick-impact projects helped establish the credibility of missions and improved social and economic conditions and infrastructure. Artificial time limits should not be imposed. Assessments of the need for of quick-impact projects should be based on the conditions on the ground in each specific case and not on the maturity of the mission concerned. It was important to enhance the efficiency of air operations without affecting the organization, safety or operational capacity of missions. The Rio Group did not support the Advisory Committee's recommendations concerning the reductions of costs associated with the rotation of military contingents and was surprised that the Advisory Committee had not referred to reductions in equipment transport costs. It welcomed the greater use of videoconferencing facilities and e-learning programmes in missions where possible. Those initiatives would help reduce costs and provide necessary training.

89. High vacancy and turnover rates disrupted the normal course of missions activity. The Rio Group would consider that problem in the context of the reports on streamlining contractual arrangements and harmonizing conditions of service. With respect to the proposed management initiatives, the Rio Group would consider the establishment of a dedicated capacity within the Department of Peacekeeping Operations to support African peacekeeping capacity, the first steps towards establishing a standing police capacity and the initiatives to promote regional cooperation among missions. It supported the payment of mission subsistence allowance to United Nations staff officers in the mission area and would request further information on death and disability compensation. The Rio Group welcomed the integrated disarmament, demobilization and reintegration standards developed by the relevant inter-Agency Working Group, and stressed the importance of predictable funding for those activities. With respect to sexual exploitation and abuse, system-wide coordination was essential for developing strategies to enforce the zero-tolerance policy. Lastly, the Advisory Committee should explain why it had not referred to the Secretary-General's recommendations concerning spare parts management.

90. **Mr. Saizonou** (Benin), speaking on behalf of the African Group, said that peacekeeping operations were essential for maintaining global peace and security. It was regrettable that the Secretary-General's overview report (A/61/786), had not addressed some of the African Group's concerns. It was important to devote greater efforts to ensuring equitable geographical distribution and gender balance, particularly by recruiting female candidates from developing countries. Furthermore, recruitment of host-country nationals could be an effective tool for overcoming the ongoing problem of recruitment in peacekeeping missions.

91. The African Group attached great importance to the report on accountability, fraud, corruption, mismanagement, misconduct and conflict of interest that had been requested in section V of General Assembly resolution 60/266, and regretted that it had not yet been introduced by the Secretariat. Quick-impact projects played an important role in improving the living conditions of populations affected by conflict and more effort should be devoted to ensuring their rapid implementation. It was important to abide by the provisions of General Assembly resolutions governing the use of consultants and external expertise. The African Group supported the zero-tolerance policy for cases of sexual exploitation and abuse, and encouraged the Secretary-General to implement the most recent recommendations in that regard. It noted with regret that the Special Committee on Peacekeeping Operations had not been in a position to adopt its draft annual report, and requested the Chairman to take the necessary steps to resolve that situation. The African Group supported the recommendation to pay mission subsistence allowance to United Nations staff officers in the mission area in lieu of reimbursement to the troop-contributing countries.

92. **Ms. Stevens** (Australia), speaking also on behalf of Canada and New Zealand acknowledged the vital contribution that peacekeeping operations made to global peace and security. In a context of increasing peacekeeping budgets, the Secretariat must ensure accountability, efficiency and innovation in peacekeeping management. In view of the increasing size and complexity of peacekeeping operations, it was important for Member States to pay their assessed contributions on time, in full and without conditions.

93. Results-based budgeting enabled managers to meaningfully assess performance, utilize resources more effectively and strengthen accountability. Member States had an important role to play in improving results-based budgeting and should provide clear objectives for mandated activities. However, the

Board of Auditors, JIU and the Advisory Committee had suggested that results-based budgeting had not been practically applied as a management tool during the previous two years. She urged the Secretary-General to improve the application of results-based budgeting and supported the regular refinement of indicators of achievement and outputs in peacekeeping budgets. It would be useful to learn more about the Advisory Committee's recommendation to synchronize the budget and electronic performance appraisal system (e-PAS) cycles. She agreed with the Advisory Committee that financial resources should be aligned with the results-based presentation and that the Secretary-General should develop a specific strategy and plan for work process improvement and should demonstrate that management and administrative processes were efficient when seeking increased resources for administrative and support functions.

94. With respect to financial management, more clarity was needed on the field and Headquarters resources devoted to the budget process. It seemed that streamlining the process made good management sense. She welcomed the benchmarking analysis that aimed to develop planning models for sizing and structuring multidimensional missions, and supported the Advisory Committee's recommendation that the analysis should be based on mandates and not only on past patterns. She was concerned by the almost 50-per-cent increase in unencumbered balances for 2005/06 compared with 2004/05. The membership had been assessed almost half a billion dollars in excess, largely to the detriment of Member States that paid in full and on time. She agreed with the Advisory Committee that resources requests were often asserted rather than justified programmatically, resulting in a pattern of overbudgeting.

95. The good planning of peacekeeping operations was the linchpin of rigorous budgeting. She encouraged realistic budgeting for the staffing of operations, drawing on lessons learned and best practices. She supported new approaches to the recruitment of international and national staff for peacekeeping, along with commensurate accountability. With respect to personnel management, she supported the recommendation to pay mission subsistence allowance to staff officers in lieu of reimbursement to troop-contributing countries. She would like to learn more about temporary duty assignments between missions and whether it would be more effective to second a staff member for up to a year. She supported the review of standards for the recruitment of national officers in order to allow missions to draw upon local human resources to the extent possible. The high vacancy rate in peacekeeping operations remained a cause for concern. Posts that had been vacant for an extended period of time should be rejustified. With respect to the retention rates of staff in peacekeeping operations, it was necessary to study best practices in terms of working conditions.

96. She noted with appreciation the advances made in regional and inter-mission cooperation, air operations and the continued improvement in the use of technology, including the plans to construct a satellite hub at the United Nations Logistics Base at Brindisi. She looked forward to more details and justifications of operational cost requirements in future budget proposals and to the Committee's discussions on ways to tighten the management of fraud, travel, spare parts, fuel and procurement.

97. **Mr. Poulin** (Canada), speaking also on behalf of Australia and New Zealand, said that he strongly supported the zero-tolerance policy on sexual exploitation and abuse. It was the duty of the Committee and the General Assembly to ensure that the Secretary-General received clear policy guidance and commensurate resources to tackle those challenges effectively. He welcomed the comprehensive strategy on sexual exploitation and abuse by United Nations peacekeeping personnel and the three-pronged approach of preventing misconduct, enforcing United Nations standards and undertaking remedial action. He also welcomed the progress that had been made in ensuring respect for the standards set out in the Secretary-General's bulletin on special measures for protection from sexual exploitation and sexual abuse (ST/SGB/2003/13). While the large number of allegations was worrisome, the strategy should lead to a decrease in the number of cases of serious misconduct.

98. He supported the request for conversion to regular posts of the conduct and discipline positions in OIOS that were currently financed through general temporary assistance under the support account and individual peacekeeping operation budgets, because there was a constant need for a conduct and discipline capacity in the field and at Headquarters. To enable the Organization to fulfil its pledge to eliminate sexual exploitation and abuse, it was urgent to take decisions

on the revised draft model memorandum of understanding between the United Nations and troop-contributing countries, the report of the group of legal experts on the criminal accountability of United Nations staff and experts on mission, and the comprehensive strategy on assistance and support to victims of sexual exploitation and abuse.

99. **Ms. Kaji** (Japan) said that the proposed budget for peacekeeping operations for 2007/08 had exceeded $5 billion and was expected to continue to grow. Under those circumstances, full justification, budgetary discipline and fiscal prudence were particularly important. The Secretary-General should provide Member States with a thorough explanation of efforts to promote efficient and effective management of human and financial resources. In addition, General Assembly resolution 59/296 stated that budget submissions should reflect management improvements and efficiency gains. The budget process should provide an integrated picture clearly showing the linkage between indicators, outputs and resources. Careful consideration should be given to thematic management issues with a view to providing guidance for future strategies prior to the approval of individual mission budgets.

100. Her delegation shared the Advisory Committee's concern about the absence of evidence of concrete action having been taken in response to the General Assembly's and Advisory Committee's requests to the Secretary-General to ensure the efficiency and effectiveness of management and administrative processes. Adding post and non-post resources for inefficient processes was not an acceptable management practice. The structures of complex, integrated missions remained duplicative and top-heavy. There was insufficient monitoring of the evolution of structures in individual peacekeeping operations and her delegation strongly cautioned against using a template approach to staffing.

101. The size of the unencumbered balance and the cancellation of prior-period obligations indicated that the need for more realistic budgeting and tighter control of budgetary planning and administration. It was important to promote efficiency in the area of operational costs, in particular of air operations, ground transportation, fuel management, information and communications technology, training and travel. It would be interesting to learn more about the efforts of the Department of Peacekeeping Operations to explore the possibility of economies and efficiencies in air operations. With respect to integrated missions, it was important to eliminate duplication and enhance synergies among partners to facilitate collective international efforts to consolidate peace in countries emerging from conflict. It would be most unfortunate if integrated missions were utilized as a mechanism for financing the activities of United Nations entities in the country teams from assessed United Nations contributions.

102. Her delegation strongly supported further promotion of inter-mission cooperation. Although it recognized the unique nature of each individual mission, it remained concerned that the Secretary-General had yet to implement General Assembly resolution 60/266 on cross-cutting issues. Implementation of General Assembly resolutions and the recommendations of the Board of Auditors and the Advisory Committee constituted an integral part of the budget process. The issues of conduct and discipline were of the utmost importance for safeguarding the integrity and reputation of peacekeeping operations. Enhanced accountability and effective management of human and financial resources were of the highest priority for the Committee and the Organization.

The meeting rose at 1.05 p.m.